

## 4

## A Thriving Trade: Global Legal Small Arms Transfers

Many of the most serious dangers of the international trade in small arms are associated with the illegal trade. Even so, the overwhelming majority of small arms—approximately 80 to 90 per cent—are sold and transferred legally. The recipients include governments, brokers or private firms and citizens.

Even though the vast majority of the world's small arms have legal origins, they can end up in the hands of petty and organized criminals, insurgent groups, sanctioned governments and other prohibited recipients. Legal transfers also are an important contributor to the black market. Legal transfers of small arms can contribute to instability through uncontrolled cascading, where newly purchased weapons replace older models, which subsequently are released onto the market. By adding to already saturated stockpiles, the legal flow of new weapons drives down prices. This increases the availability of more advanced firearms and other light weapons for the whole range of recipients. Legal transfers not only go to recipients who carefully monitor and control their stockpiles, but to recipients—private and official—with little interest in disciplined stockpile management. Thus legal sales and military aid contribute directly to corruption, pilfering and theft, all of which feed the black market.



Associated Press/Peter Andrews

**At least 80 to 90 per cent of the global trade in small arms is legal.**

**Table 4.3 The sixty known legal small arms exporting countries**

1. Major Exporters (More Than \$75 Million Annually)		2. Mid-Level Exporters (Between \$1 Million and \$75 Million Annually)		3. Minor Exporters (Less Than \$1 Million Annually)	4. Value Unknown
Country/ Year	US\$ Value/Source	Country/ Year	US\$ Value/Source	Country	Country
Brazil (99)	\$100-150 million(D)	Argentina (98)	\$3 million (B)	Australia (B)	Armenia (C)
Germany* auth (99)	\$384 million (A)	Austria (94)	\$60 million (B)	Chile (A)	Belarus (C)
Russian Fed.* (99)	\$100-150 million(D)	Belgium (99)	\$33 million (A)	Colombia (B)	Bosnia (C)
United States* auth(98)	over \$1.2 billion (A)	Canada* (98)	\$26 million (D)	Croatia (B)	Bulgaria (C)
<b>4 Countries: Total: ±\$2 billion</b>		China (98)	\$27 million (B)	Denmark (B)	Cyprus* (E)
		Czech Republic* (99)	\$59 million (C)	Japan (B)	Ecuador* (E)
		Finland* (98)	\$5 million (A)	India (B)	Egypt (C)
		France (99)	\$23 million (A)	Indonesia (B)	Greece (C)
		Italy (98)	\$28 million (B)	Latvia (B)	Hungary* (E)
		Pakistan* (99)	\$30 million (C)	Malaysia (B)	Iran (C)
		Poland* (99)	\$40 million (C)	Mexico (B)	Israel (C)
		Romania (95,96 avg.)	\$10 million (B)	Netherlands** (A)	Kazakhstan (C)
		Spain (98)	\$7 million (B)	New Zealand (B)	Jordan (C)
		South Africa* (99)	\$9 million (A)	Norway (B)	North Korea (C)
		South Korea* (97)	\$43 million (A)	Philippines (B)	Singapore (E)
		Sweden* (98)	\$40 million (A)	Portugal (B)	Slovenia* (E)
		Switzerland (98)	\$10 million (B)	Slovakia (B)	Ukraine (C)
		United Kingdom (98)	\$44 million (B)	Swaziland*** (A)	Zimbabwe (C)
		<b>18 Countries: Total: \$497 million</b>		Thailand (B)	<b>18 Countries:</b>
				Turkey (B)	<b>Unknown</b>
				<b>20 Countries:</b>	<b>Value</b>
				<b>less than</b>	
				<b>\$10 million total</b>	

**Source Code**  
A – National Government Reports  
B – UN Customs Data (COMTRADE)  
C – Figures Reported in the Press  
D – Calculation Based on Several Reports  
E – Declared Exporter in Firearms Study  
\* – Includes Ammunition  
\*\* – COMTRADE reported that \$187 million worth of military firearms, pistols and revolvers passed through Dutch customs as exports in 1998  
\*\*\* – Re-exports of Commercial Firearms, no domestic production  
auth. – Authorised sales, may not correspond to actual sales.

Estimating the total size of the legal trade is made difficult by the reluctance of many of the world's major producers to release statistics on their small arms production and transfers. Of the 95 countries that have small arms production capacities, at least 60 are involved in the legal export of small arms. Fewer than 30 of these, though, provide any public information on their small arms exports. At one extreme are a few governments, such as Canada, Chile, Finland, Italy, South Africa, the United Kingdom and the United States who provide official data on the quantities and values of their exports of small arms. At the other extreme are significant exporters such as Bulgaria, China, Iran and Russia that provide no official data at all.

**Secrecy remains one of the persistent problems in assessing the legal trade in small arms.**

Most mechanisms monitoring the trade in military equipment—such as the United Nations Register of Conventional Arms and the Stockholm International Peace Research Institute—focus exclusively on major conventional weapons. Even national data presents major problems due to differences in categories, definitions and format, which make comparisons difficult or impossible. The most comprehensive source of comparable data on the legal small arms trade is the COMTRADE database, which reports customs figures through the United Nations. Although only 33 countries have submitted data on their small arms transfers so far, this remains the most valuable open source, serving as the basis for much of the data presented in this chapter.

**The annual legal trade in small arms and light weapons is estimated to be worth between US\$ 4-6 billion.**

On the basis of available data, the chapter concludes that the global trade in small arms and associated ammunition accounts for roughly five per cent of the global trade in conventional arms. The annual legal trade in small arms and light weapons is estimated to be worth US\$ 4-6 billion, which is lower than previous estimates. The largest exporting countries, for which there is reliable data, in the late 1990s were, in descending order, the United States, Germany, Brazil and Russia.

Data on small arms imports are even scarcer than export information. Most of what is available is from anecdotal reports and estimates appearing in the press. The leading known importers in the late 1990s that can be identified from publicly available information, including COMTRADE, were, in alphabetical order, Colombia, Germany, Israel, Netherlands, Philippines, Saudi Arabia, Switzerland, Thailand, Turkey, the United Kingdom and the United States. In some significant cases, however, the data on imports reflects transshipments and not the final destination of the weapons.

**Table 4.7 Top small arms importers worldwide, 1994-98**

Country	Military Firearms: Value of imports	Country	Pistols and Revolvers: Value of imports
Netherlands	\$320 million	United States	\$774 million
United Kingdom	\$161 million	Germany	\$109 million
Saudi Arabia	\$110 million	Thailand	\$81 million
United States	\$99 million	Turkey	\$74 million
Turkey	\$63 million	Switzerland	\$36 million

Source: COMTRADE (UN Customs Data)

The chapter highlights the need for accurate and comparable data on small arms transfers. The easiest way to promote transparency in the small arms trade would be to promote reporting of all small arms transfers to national customs authorities, which in turn would make the data publicly available.

**For further information and current developments on small arms issues please check our website at [www.smallarmssurvey.org](http://www.smallarmssurvey.org)**